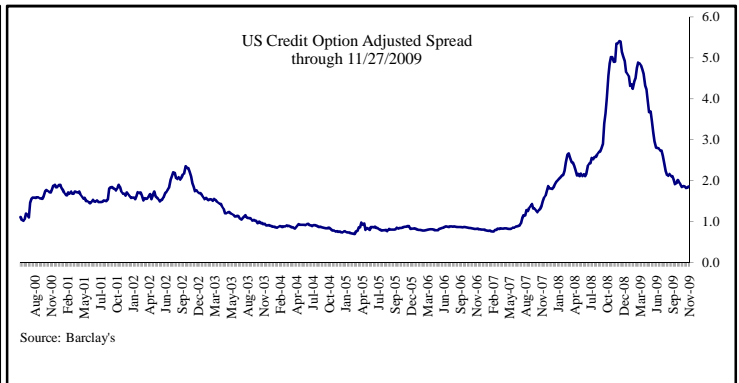
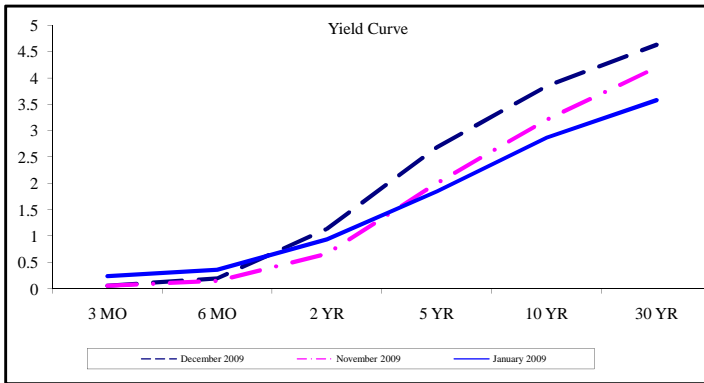


# Capital Markets Flash Report

## December 2009



Source: Barclay's

### FIXED INCOME

	December	QTD	YTD
Barclays Aggregate Bond	-1.56%	0.20%	5.93%
Barclays Gov/Credit Bond	-1.77	-0.21	4.52
Barclays Gov Long Bond	-5.32	-5.07	-12.19
ML High Yield Bond	3.28	6.19	58.21
Barclays US TIPS	-2.19	1.76	11.41
Barclays IG Corp Credit	-0.78	1.35	18.68
Barclays High Yield Loans	3.10	3.67	53.84

\* The yield curve steepened during the month of December, dampening the performance of treasuries.

\* The steepening of the yield curve and improved sentiment toward risk favored spread sectors in December.

\* TIPS performance was impacted by Bernanke's assertion that inflation risk remained muted and consequent indication that rates would remain targeted at 0-25 basis points.

### DOMESTIC EQUITY

	December	QTD	YTD
S&P 500	1.93%	6.04%	26.46%
Russell 1000	2.43	6.07	28.43
Russell 1000 Value	1.77	4.22	19.69
Russell 1000 Growth	3.09	7.94	37.21
Russell Mid Cap	5.70	5.92	40.48
Russell Mid Cap Value	5.23	5.21	34.21
Russell Mid Cap Growth	6.19	6.69	46.29
Russell 2000	8.05	3.87	27.17
Russell 2000 Value	7.57	3.63	20.58
Russell 2000 Growth	8.56	4.14	34.47
Russell 3000	2.85	5.90	28.34
NAREIT	6.48	8.46	27.80

\* The equity markets absorbed mixed data on the economy throughout the month and ultimately rallied in the closing days on better than expected employment numbers.

\* Larger capitalization companies underperformed smaller companies during the month of December. This trend was consistent across investing styles.

\* Growth outperformed value across the capitalization spectrum, representing a continuation of the trend in place for much of the year.

\* The outperformance of growth relative to value was pronounced for 2009.

### SECTORS

	December	QTD	YTD
Consumer Discretionary	4.54%	9.07%	41.30%
Consumer Staples	-0.26	5.02	14.89
Energy	-0.92	5.58	13.82
Financials	-1.54	-3.32	17.22
Health Care	2.08	9.09	19.70
Industrials	1.29	5.38	20.93
Technology	5.62	10.70	61.72
Materials	1.61	7.36	48.59
Telecommunications	4.64	7.43	8.93
Utilities	5.54	7.26	11.91

\* Performance in the month of December was mixed across economic sectors.

\* Financial names struggled during the month, specifically after the announcement of the tentative winding down of the stimulus programs.

\* Sectors tied to consumer spending were buoyed by a moderate increase in retail sales compared to the 2008 holiday period.

### INTERNATIONAL EQUITY

	December	QTD	YTD
MSCI EAFE	1.36%	1.80%	27.75%
MSCI EAFE Growth	1.94	3.86	25.98
MSCI EAFE Value	0.77	-0.17	29.56
MSCI EAFE Small Cap	0.62	-1.27	43.20
MSCI EM	3.81	8.25	74.50

\* The strengthening of the U.S. dollar elevated the level of exports, particularly within emerging market economies.

\* The performance differential between growth and value continued through December and the quarter, further closing the gap for the year.

\* Emerging markets continued to perform very strongly through the month and quarter as investors embraced the potential for higher economic growth in those areas of the world.

### NON-TRADITIONAL

	December	QTD	YTD
HFRX Global HF Index	0.36%	4.23%	13.18%
DJ UBS Commodities	1.98	9.03	18.91

\* Hedge fund strategies were essentially flat during the month, but generated strong performance for the year.

\* Commodity returns in December were driven by investor response to inflation and economic fundamentals in the oil and gold markets.

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